

The U.S. Vs. William

Early this month, Attorney General William French Smith revoked Carter Administration guidelines that limited legal recourse against current or former government employees who publish information about intelligence work without clearing it with the government first. Smith obviously meant business: NEWSWEEK learned last week that the Justice Department plans to sue former CIA director William E. Colby for publishing his memoir, "Honorables Men," without clearing all editions with his former employer. Justice officials said the Colby case did not portend a barrage of lawsuits against leakers of sensitive infor-

able to or critical of the government involved will be a factor to sue," he said. Government sources said, prompted with a consent decree forcing the former director to pay over some profits from his book to the government.

The Colby case is the first since the Reagan Administration's crackdown on leaks of information. It was learned that the Justice Department ordered several investigations of national-security breaches, including the disclosure of State Department policy papers on southern Africa, the removal of MX-missile studies from the Pentagon and the acquisition by NBC's Marvin Kalb of position papers on Pakistan. Similarly, CIA director William J. Casey has asked for a special FBI team to conduct an internal investigation of agency leaks—a request the bureau has rejected because its top officials do not believe that the FBI should be working for the agency.

Irritated: Less sensitive leaks are "more of an annoyance," says Presidential Counselor Edwin Meese, but the White House is tracking them as well. After The New York Times suggested in June that Reagan was willing to compromise on his tax bill, irritated aides checked Secret Service computer logs to learn which officials the reporter had seen. The leak was traced to budget director David Stockman. Stockman's job isn't in danger, but it is the chilling prospect of being found out—and possibly fired—that keeps most potential leakers in line.

Intimidation may be the best weapon against leakers simply because it is so difficult to prosecute them. Federal

law prohibits the unauthorized dissemination of national-security information, but the statutes are "so vague as to be virtually worthless," says a former CIA official. Defendants also can resort to "graymail," forcing the government to disclose even more sensitive information so that a jury can decide the relative importance of the leaked material.

Given the legal and practical pitfalls, the Administration is searching for more effective ways to stop leaks: not passing some information to leak-prone departments and routinely collecting important briefing books after meetings. Attorney General Smith's new edict on unauthorized publication of sensitive information may help to keep such information in the files, but leaks of less sensitive material may simply be beyond control.



Colby: His loyalty to the CIA isn't at issue

mation; the idea was to send a message that the Administration would not tolerate breaches of the legal contracts between government workers and their employer.

The Colby case was also designed to "get at the heart of the question of whether we deal only with the little fish," said a senior Administration official. Colby's alleged breach of security occurred in 1978 when galley proofs of his book reached a French publisher before the CIA could demand that its former chief delete certain passages. In those passages, Colby revealed that the CIA spy ship Glomar Explorer had failed in its attempt to recover nuclear missiles, steering and transmission devices and codes from a Russian submarine three miles below the surface of the Pacific Ocean.

Consent: There was no question that Colby's book was entirely loyal to the CIA—but according to Smith, that isn't the

ARTICLE APPEARED
ON PAGE 41

U.S. NEWS & WORLD REPORT
28 September 1981

When CIA Spies Come In From the Cold—

Headlines are focused on mavericks who train terrorists, spy for hostile powers, leak vital secrets. But the vast majority of former agents exploit their unique expertise for different purposes.

When an American spy ends his cloak-and-dagger work for Uncle Sam, his life in the shadows may not be over.

A few maverick ex-agents have continued to lead the covert life even after "coming in from the cold." Often operating outside the law, these onetime spies cash in on clandestine skills honed—and secrets learned—as government agents. Sometimes earning millions of dollars, they move in a mysterious, violent world of guns, explosives, criminals and foreign agents.

Two former operatives of the Central Intelligence Agency are accused of masterminding a terrorist training school for Libya's Muammar Qadhafi and supplying him with explosives and technical expertise. A third has been convicted of selling secrets to Russia—the only known case of a double agent in the agency's 34-year history. Some former CIA contract agents, free-lance operators who undertake specific contracts from the agency, have been arrested on drug-smuggling charges.

While only a relative few become outlaws, these nonetheless have caused headaches for the vast majority of spies who go into legitimate work. As a result, sentiment is building for tighter restraints on all former agents.

Experts agree that those who resort to questionable activities are rare among the thousands of CIA operatives who quit the agency during the 1970s because of purges, scandals and disillusionment. Yet the pressures that can create a rogue are felt by all. Foremost is the difficulty of making a new life after a career spent spying, often in exotic places and sometimes amid great danger. Some say it is an addictive combination.

There are other problems. Many potential employers are sensitive to public hostility toward the espionage trade and worry about any CIA ties that may remain. Many agents, especially those who have spent a long time spying, lack readily marketable job skills in the business world. And some spies simply find themselves suited for no other work. For them, covert activity has become not just a job, but a way of life.

For a look at what spies do after leaving the government, *U.S. News & World Report* has focused on a score of ex-agents who have entered private life in recent years. While most are respected businessmen, others operate on the wrong side of the law. Both are examined in this report.

Approved For Release 2001/03/07 : CIA-RDP91-005001R000500050005-3
Global Terrorism: Making It Pay

A few former agents have turned to selling covert skills to the highest bidders. Prime examples are Francis E. Ternil

early 1970s
in internat
ping explos
nate enem
by a federa
in the Midd

Wilson v
been heav
invasion of
Cuban exi
dummy co
could be
communic
CIA in 19

Mideast and India.
long prison term fo
cover agent posing

Terpil, after his
world's biggest gun
the conflict in Le
Palestine Libera

In 1976, he and
of other former ag
Middle East. Corp
operation.

Prosecutors say
to open a terrorist
terrorists were sch
craft powerful bon
alarm clock to a te

The two recruit
structors, includin
tions experts and
cret Navy facility
of weaponry are j
ployes, later fired
them obtain weap
them in other way

At one point, si

WASHINGTON POST



Ex-CIA agents Edwin Wilson, left, and Francis Ternil are accused

The Nation

In Summary



C.I.A. director William J. Casey, on crutches because of a leg injury.

A Bid to Insure Secret Agents Stay That Way

Though many would consider the disclosure of a secret agent's identity a crime, efforts to make it one have yet to succeed. But last week the House approved a bill that would send those convicted of betraying an operative to prison for up to 10 years, and passage of a similar measure in the Senate is considered likely.

Proponents had been pushing for such a measure for more than five years, after the Central Intelligence Agency station chief in Athens, Richard Welch, was assassinated following publication of his name, and the subsequent disclosure of other agents by a notorious former one, Philip Agee.

In moving from the House Intelligence Committee to the floor, however, the bill was expanded to cover not just those with an "intent" to harm the agency through such activities but those who merely "had reason to believe" they would, a category thought to include journalists. Wary of constitutional difficulties, Representative Edward P. Bowland, the committee chairman who originally had sought such a law, joined 55 other Democrats in opposing it.

Testifying before a Senate subcommittee the next day, William J. Casey, Director of Central Intelligence, asked Congress to go further and exempt the agency from the Freedom of Information Act. "There are inherent contradictions in applying a statute designed to secure openness in government to agencies whose work is necessarily secret," Mr. Casey said.

How open? How secret? The Justice Department was reported readying a suit last week against an ex-C.I.A. chief, William E. Colby, who failed to clear a European edition of his 1978 book about the agency, "Honorable Men," with the Government. Though no criminal charges are anticipated, Mr. Colby might be forced to share some of his royalties with his former employers.

Colby addresses CIA misconceptions in talk

Editor's note — Jennifer Plant, summer staff reporter for The Oak Ridger and sophomore at the University of the South, Sewanee, is news editor of the University newspaper, "The Sewanee Purple." Here she writes of a talk given by William E. Colby, former director of the CIA at Sewanee Tuesday.

By JENNIFER PLANT

William E. Colby didn't look like a "real live spy" as he addressed some 350 students gathered in Convocation Hall on the University of the South at Sewanee campus Tuesday.

Colby, a former director of the CIA, spoke on "Tension, Terrorism, and Intelligence in the 1980s."

With his gray hair, conservative gray suit and black-rimmed glasses, he looked like any ordinary professor on the campus.

"I think some of you may be a little disappointed," he said. "You may be wondering, 'Why doesn't he look more exotic? He sure doesn't look like a spy.'" Colby said this attitude was based on some misconceptions Americans have about the CIA and the role of intelligence in today's world.

"The real change (in intelligence) came as a result of World War II and the attack on Pearl Harbor," he said. "The attack wasn't really a result of lack of information. It was just that the information hadn't been brought to a central place." Thus the Central Intelligence Agency.

Although Colby admitted that the CIA today still relies on spies to "centralize" information concerning foreign countries, and especially the Soviet Union, he said, "We have applied American genius in technology to intelligence."

"We were able to develop a plane to spy on Russia," Colby said, as a result of the application of this technology. "However, within three years, they developed a missile that could knock it down." The plane was not completely useless, he countered. "When we used the plane in Cuba, we discovered offensive nuclear missiles." Colby said the discovery of this intelligence gave former President John F. Kennedy "time to develop a peaceful settlement."

"The technological intelligence has been a new development," Colby explained. "We can even tell when a nuclear weapon has been activated on the other side of the world by the tremors in the earth's crust. This has been a revolutionary concept in intelligence."

First intelligence was centralized, then expanded to include new technologies, and then, Colby said, "Americans were not satisfied with only one or two changes." The third change? "American Intelligence must operate under the American government and Constitution."

"There's some justice to that," Colby continued. "People used to think that law and intelligence were two different things." As an example, he said, "When the CIA was organized in the late 1940s, it was given orders to be more ruthless than adversary. People said, 'Isn't that what intelligence is supposed to do?'"

Colby said a contradiction developed to that belief. "A traditional spy service is one thing, but this larger service is different. When we built the new CIA headquarters along the Potomac River, Bobby Kennedy, then an attorney general, saw the large building with the sign that said 'CIA' out front." Kennedy felt that the building was too conspicuous for a spy service so the sign was taken down. "And for 15 years we pretended it wasn't there."

Colby said the CIA had learned to use it as a checkpoint (turn left at the CIA.)

The contradictions grew, Colby said, especially with the advent of Watergate and the Vietnam War. An "orgy of recriminations" was sparked in the '70s, he said. This "orgy," he said, "brought up some things that CIA had done that it should not have done. People then thought CIA was under every bed and was responsible for every disaster." It gave foreign countries "a sense we weren't serious about our intelligence. They were afraid they'd be exposed by submitting intelligence."

Since that time, Colby said, "We have set up some procedures whereby intelligence will be conducted under the Constitution systems of control. Today it's clear that more people than the generals need to be informed about the kinds of intelligence we're dealing with. The people are the ultimate deciders of these questions in America."

In applying the use of intelligence to the world today, Colby said "We must look at the world around us. We must start with the Soviet Union. Our problem is that we have to KNOW about those weapons. We know their army and navy has been enlarged. We know the Soviets produce more oil and steel than any country."

He said America must keep a watch on the transfer of power in the Soviet Union. "I expect a transfer of power will result in the rise of some product of party bureaucracy. The man will be somewhat cautious about his ventures and will not want to wreck all he's built. But he could be someone like Krushchev. — reckless. Or it could be a general or admiral who decides they must use the Soviet force before it is overcome by American force. We're going to have to understand the nature of this threat."

Other countries Colby said intelligence must focus on include China, Brazil, underdeveloped countries, and the stability of the developed countries.

Colby cautioned, "We have to be careful that we understand the real threat. Do we need to match all Russian weapons? No, we need weapons capable of stopping Soviet tanks from going across western Europe, 'capable of stopping Russian submarines.' We have to use intelligence to negotiate possible limits on these weapons."

Following Colby's talk, a question and answer period began. One audience member questioned Colby on the 1962 Cuban missile crisis. "When the government wrote notes to Krushchev, he responded by asking us about NATO missiles in Turkey. Why has nothing more been said about this?" Colby was asked.

"It was a strange sort of coincidence," Colby joked. "When the Soviet missiles were removed from Cuba, the missiles were removed from Turkey."

After James Schlesinger was named to Nixon's cabinet, Colby replaced him as CIA director. "We found out we had been involved in other plots that were not honorable. I wrote a series of directives to people and put those in the safe and let them stay there. About a year and a half later I got a call from the New York Times. They said they had heard CIA had been involved in a great domestic operation. I told them: 'You've run into something where we've had to clear up loose ends.' They took my statement as a confirmation."

Colby also commented on other aspects of the CIA including their role in the Iranian crisis, the SALT II agreement.

"Intelligence is never going to be a crystal ball," he concluded. "Rather it is going to be there to warn you of possible and probable developments. The spy is no longer the total prototype and intelligence is no longer a little spy service. We are going to see our intelligence improve and we will continue to have what we have today — the best intelligence in the world."

Approved For Release 2001/03/07 : CIA-RDP91-00901R

ARTICLE APPEARED
ON PAGE D-1PHILADELPHIA INQUIRER
24 SEPTEMBER 1981

Newsmakers

Secrets

Former CIA Director William Colby, who headed the CIA from 1973 to 1976, said Simon & Schuster of New York is to blame for allowing agency-censored information to appear in a French edition of *Honorable Men*, his memoirs. Colby said that the publisher failed to pass along CIA-ordered changes in his manuscript to the French publisher in time to keep out details about the agency spy ship, Glomar Explorer. Newsweek magazine reports that the government plans to sue Colby for allegedly breaching security.

Colby Urges Support For Intelligence Units

By Eric Kaufman
Times Staff Writer

SEWANEE, Tenn. — Former CIA Director William Colby, speaking to a packed-house audience at the University of the South here Tuesday night, called for more "public support and understanding" for the nation's intelligence agencies.

"This is part of a citizen's duty in a country that belongs to him," Colby told students, guests and faculty members. "We have to move into this area to develop this type of public support."

Colby predicted that U.S. intelligence operations will improve in the 1980s and termed American intelligence "the best intelligence in the world."

Colby, now a Washington, D.C., attorney, gave a talk that spanned Pearl Harbor, the 1962 Cuban missile crisis and current growth of "super powers."

He said the need for a sharp U.S. intelligence system began with the bombing of Pearl Harbor when so much information about the pending Japanese attack was available but hadn't been centralized.

"Information hadn't been brought to a central place," he said, hence the "Central Intelligence Agency."

America's second step in improving its intelligence system came with development of aircraft that "could fly higher and farther than anyone had to date," he said.

Recalling when U.S. pilot Gary Powers was shot down while in a spy plane over the Soviet Union in the '60s, Colby said, "During the three years that plane flew over the Soviet Union, it wasn't an exercise in idle curiosity."

He said the U.S. was saved from "nuclear Armageddon" when spy aircraft discovered those "funny shapes on Cuba" that turned out to be missiles during the Kennedy administration in 1962.

"It was an attempt by Khrushchev to change the balance of power," Colby said. "That was the closest we have come to nuclear Armageddon."

But Americans aren't satisfied with one or two changes in intelligence services, Colby said.

"American intelligence must work under American law and the Constitution," he said.

Colby hypothesized that the "orgy of recriminations" against the CIA and other intelligence gathering agencies began when the late President Dwight Eisenhower took responsibility for Powers' spy plane.

"Eisenhower took personal responsibility for the aircraft," he said. "There were a lot of sanctimonious statements made by various people. This came out as an attack as to how the CIA was managed."

The fact that Eisenhower took the blame for the spy plane, Colby said, made Americans look as if they were not serious in the eyes of foreign nations.

"These Americans seemed to put them (CIA operatives) on the front page every day," Colby said, mimicking a would-be foreign observer.

"For a few years we have wounded the eyes and ears of our intelligence services," Colby said. He said the CIA has new and innovative systems of "accountability and controls" including the watchful eyes of two Senate committees.

"Today it's clear . . . that more people have to be informed of the kind of intelligence that we have today," he said.

Colby said intelligence today begins with "that country that has enough power to destroy us and the entire world." He said growing super powers that could produce "another Khrushchev" will have to be closely watched in the near future by American intelligence.

"We are going to have to understand the nature of the threat," he said. He warned of the growth of China, developing its military, and the uncertain political future of Brazil, which "has a whole continent to expand."

But the most serious threat to American and world security, Colby said, is that two-thirds of the world populace is starving and looking for "tools and weapons to secure."

Those two-thirds see the "great American Satan," he said.

During a brief question-and-answer period following his talk, Colby was asked for comment on the fact that Americans had missiles in Turkey at the time the Russians had their own nuclear weapons in Cuba.

Colby responded by saying that "there was much fanfare and ado" about the matter, but "it just so happened that the American missiles were soon removed from Turkish soil after Russian weapons were taken from Cuba."

On a more personal matter, Colby was asked about "leakages" concerning his recently published book, *Honorable Men*.

Colby said when he finished the book, he submitted manuscripts to the CIA for review. "I made changes," Colby said, remembering CIA instructions, "and sent it to the publisher with instructions."

The problem of leaks occurred, Colby said, when a French publisher, for translation purposes, had received an advance copy of the work and published what was to be deleted. "It came out different in the French edition," he said.

ARTICLE APPEARED
ON PAGE 5

THE BALTIMORE SUN
22 September 1981

Colby faces U.S. suit over his CIA memoirs

Washington (Reuter)—The Justice Department plans to sue former Central Intelligence Agency director William E. Colby for publishing his memoirs without prior approval by the agency, department sources said yesterday.

They said the department expected to file a civil suit this week to recover damages from Mr. Colby for failing to submit to the government all editions of his book "Honorable Men," which chronicles his tenure as director of the spy agency from 1973 to 1976.

The government has in recent years sued several former CIA agents who have published books about CIA activities without gaining agency approval. The Justice Department maintains such publication violates contractual pledges made by the former employees.

Newsweek magazine said Mr. Colby would be challenged because galley proofs of his 1978 book reached a French publisher before the CIA had a chance to insist that he delete certain passages dealing with the agency's unsuccessful attempts to recover secret equipment from a sunken Soviet submarine.

The magazine said the case would probably be settled out of court. Such an agreement could require Mr. Colby turn over some of the profits of his book to the government.

Such a settlement was reached in the case of Frank W. Snepp, a former CIA agent who was ordered to give the government \$140,000 in profits from his book "Decent Interval."

The Supreme Court, in a landmark ruling in February, 1980, upheld the government suit and said Mr. Snepp had violated his position of trust in publishing the book without the agency's approval. The book was highly critical of the CIA's role in the U.S. withdrawal from Vietnam.

The news—briefly

Ex-intelligence chief to be sued over book

New York

The Justice Department plans to sue William E. Colby, former director of central intelligence, for publishing his 1978 memoir "Honorable Men" without clearing all editions with the government, Newsweek reports.

The magazine said the Reagan administration is using Mr. Colby — whose book was favorable to the CIA — as an example to show that security leaks or breaches of legal contracts will not be tolerated between the government and its workers, regardless of their political leanings.

The alleged breach of security occurred when galley proofs of the book reached a French publisher before the CIA could demand that certain passages be deleted, Newsweek said.

STATINTL

Approved For Release 2001/03/07 : CIA-RDP91-00901R00

ASSOCIATED PRESS

21 September 1981

W096

DA

COLBY-NEWSWEEK

NEW YORK (AP) -- THE FEDERAL GOVERNMENT PLANS TO SUE FORMER CIA DIRECTOR WILLIAM E. COLBY FOR PUBLISHING HIS 1978 MEMOIR, "HONORABLE MEN," BEFORE CLEARING ALL EDITIONS WITH HIS FORMER EMPLOYER, NEWSWEEK MAGAZINE REPORTED SUNDAY.

THE MAGAZINE SAID IN ITS CURRENT EDITION THAT THE SUIT WAS THE REGAN ADMINISTRATION'S LATEST EFFORT IN STOPPING LEAKS OF SENSITIVE INFORMATION AND SHOW THAT IT WILL NOT TOLERATE BREACHES IN THE LEGAL CONTRACTS OF GOVERNMENT EMPLOYEES.

FEDERAL LAW PROHIBITS THE UNAUTHORIZED DISSEMINATION OF NATIONAL SECURITY INFORMATION BY BOTH FORMER AND PRESENT EMPLOYEES.

IT ALSO SHOWS THAT THE ADMINISTRATION'S EFFORTS TO PLUG LEAKS WILL NOT BE LIMITED TO ONLY THE "LITTLE FISH," THE MAGAZINE SAID, QUOTING AN UNNAMED SENIOR ADMINISTRATION OFFICIAL.

THE ALLEGED SECURITY BREACH OCCURRED WHEN GALLEY PROOFS OF COLBY'S BOOK REACHED A FRENCH PUBLISHER BEFORE THE CIA EXAMINED IT.

THE GALLEY CONTAINED SENSITIVE MATERIAL THAT REVEALED THAT THE CIA SPYSHIP, GLOMAR EXPLORER, HAD FAILED TO RECOVER NUCLEAR MISSILES, STEERING AND TRANSMISSION DEVICES AND CODES FROM A SOVIET SUBMARINE THREE MILES BELOW THE SURFACE OF THE PACIFIC OCEAN.

CITING GOVERNMENT SOURCES, THE MAGAZINE SAID COLBY AND THE GOVERNMENT WILL MOST LIKELY REACH A CONSENT AGREEMENT WITH THE FORMER DIRECTOR AGREEING TO TURN OVER SOME OF HIS BOOK PROFITS TO THE GOVERNMENT.

THE MAGAZINE ALSO SAID THE ADMINISTRATION HAS ORDERED INVESTIGATIONS OF SEVERAL POSSIBLE NATIONAL SECURITY LEAKS. THEY INCLUDE THE DISAPPEARANCE OF STATE DEPARTMENT POLICY PAPERS ON SOUTHERN AFRICA, THE REMOVAL OF MX-MISSILE STUDIES FROM THE PENTAGON AND THE ACQUISITION OF POSITION PAPERS ON PAKISTAN BY AN NBC REPORTER.

NEWSWEEK ALSO SAID CIA DIRECTOR WILLIAM J. CASEY HAS ASKED THE FBI TO CONDUCT AN INTERNAL INVESTIGATION INTO CIA LEAKS. TOP OFFICIALS AT THE BUREAU, HOWEVER, HAVE REJECTED THE IDEA BECAUSE THEY DO NOT BELIEVE THE FBI SHOULD BE WORKING FOR THE AGENCY, NEWSWEEK SAID.

AP-WX-09-20-81 2300EDT

Justice Plans Suit Over Colby Book

NEW YORK, Sept. 20 (UPI)—The Justice Department plans to sue former CIA director William E. Colby for publishing his 1978 memoir, "Honorable Men," without clearing all editions with the government, Newsweek said today.

With the Colby case, the magazine said, the Reagan administration means to serve notice that it will not tolerate security leaks or breaches of contracts between the federal government and its workers.

Citing government sources, Newsweek reports in Monday's issue that the Colby case probably will be settled with a consent agreement.

Colby's alleged breach of security occurred when galley proofs reached a French publisher before the CIA could demand that certain passages be deleted, Newsweek said. Colby revealed that the CIA spy ship, Glomar Explorer, had failed to recover nuclear missiles, steering and transmission devices and codes from a Soviet submarine in the Pacific Ocean.

Newsweek also reported that the administration had ordered several investigations of possible national security breaches.

ATLANTA JOURNAL
20 September 1981

The Paisley Affair

A CIA tale of blood and intrigue

STATINTL

By Daniel Bursstein
Constitution Special Correspondent

WASHINGTON — It was a sun-swept afternoon, September 24, 1978. A lone sailor — middle-aged, tanned, with a scraggly beard — allowed his 31-foot sloop, the Brillig, to drift across the shimmering waters of Chesapeake Bay. He studied some documents from his briefcase. He switched on and off his very special radio. He munched on a pickle loaf sandwich.

Then something extraordinary happened. Something violent. Something that shook American national security to its foundations and is still reverberating around the world in financial scandals, murders and the nuclear brinkmanship of the superpowers.

Exactly what happened to John Arthur Paisley three years ago is not known for certain by anyone who will talk about it. The Central Intelligence Agency, for which he worked much of his life as an expert on Soviet nuclear capabilities, the Federal Bureau of Investigation, and the Senate Intelligence Committee may know. But their reports remain clamped under a tight lid of secrecy.

Paisley, 55, never finished his sandwich and never returned from that day at sea. A bloated, blood-drained corpse with a 9mm bullet lodged in the brain was dragged out of the bay a week after the empty Brillig ran aground.

Soon thereafter, the Maryland State Police identified the body as Paisley's and the cause of death as suicide. Official accounts from the police, FBI and CIA, pictured Paisley as a "low-level analyst" retired from the CIA, who committed suicide in despondency over his estrangement from his wife Maryann.

It took only a few weeks, however, for investigators to discover that the Chesapeake area to tear through all three points in the official story with a mountain of evidence and a maze of un-

Newspaper: in that Paisley was not as Stansfield Turner, had contended, important figures in community. In fact, prominently in the Soviet "mole" (double upper echelons of some suspect, was the

Investigators also found discrepancies in the body, discrepancies

this day, there are serious questions about Paisley's and whether the case is suicide.

Paisley's disappearance and possible death rocked Washington in the fall of 1978. One CIA source remarked at the time that "this thing is so big it touches every vital nerve in Langley," the CIA's headquarters. A senator confided more than a year later that the Carter administration's failure to win Senate ratification of the SALT agreement had "a very great deal" to do with concerns that Paisley's disappearance had somehow compromised U.S. satellite verification abilities — the field in which Paisley was most expert.

Three years later, the demand for answers about Paisley has not abated. The mystery has grown only more knotted and troublesome as a continuing tale of blood and intrigue is associated with Paisley's name:

- In mid-1980, the Nugan-Hand Merchant's Bank in Australia collapsed with Francis J. Nugan having been found murdered earlier in the year and his American partner, Jon Michael Hand, having disappeared. Scandalous revelations poured out about the CIA's use of the bank to launder funds for international covert action. It was an important enough institution for former CIA director William Colby to have been Nugan's personal lawyer in America, and it has recently come to light that Paisley was particularly preoccupied with Nugan-Hand's operations in August and September 1978, only days before his disappearance. He had specifically asked a former consultant to the bank to join him at Coopers and Lybrand, an accounting firm intimately involved in the CIA's financial affairs where Paisley was employed after his formal retirement from the CIA in 1974.

ARTICLE APPEARED
ON PAGE A7

THE WASHINGTON POST
19 September 1981

William E. Colby

Send Those Spooks to Jail

The "ugly problem" of law violators raised in The Post's editorial "Old Spooks Who Don't Fade Away" (Sept. 12) has the same solution with respect to old spooks as it has with respect to old soldiers and sailors, old bankers and lawyers or even old journalists and businessmen who break the law: send them to jail.

Many thousands of individuals served in our intelligence services from World War II until recently, and a remarkably few bad apples appeared in this immense throng. The small percentage arises in good part from the dedication, the discipline and the integrity required by the anonymity and special demands of the intelligence profession.

While some go astray in every profession, it is time to recognize the positive contribution of our intelligence professionals instead of focusing obsessively on the few who fail to live up to its high standards and who can and have been punished under the law. Understanding and support can help the other "old spooks" overcome the unfounded suspicions that handicap their search for second careers and produce better morale and service among those still serving.

The writer was formerly Director of the Central Intelligence.



ARTICLE APPEARED
ON PAGE A-27

NEW YORK TIMES
17 SEPTEMBER 1981

WASHINGTON, Sept. 16 — On July 6, 1972, William Sullivan — who had been removed from the top echelons of the F.B.I. by J. Edgar Hoover — sat in the office of the new F.B.I. Director, L. Patrick Gray. Mr. Sullivan wanted to get back into law enforcement, and passed on to Mr. Gray his suspicions about "Fedora," a Russian at the U.N. who was supposedly passing secrets on to the F.B.I.

By 1978, I am informed, the F.B.I. had largely concluded that "Fedora" was not their double agent, but was the Russians' triple agent — passing on disinformation to the F.B.I., and misleading our C.I.A.

In the current Reader's Digest, William Hurt breaks the news of the F.B.I.'s decision to disbelieve "Fedora," dating the decision in 1980.

Another Soviet defector, the former U.N. Under Secretary Arkady Schevchenko, tells me that "Fedora" must have been an amalgam of several sources. We'll be learning more from him on other matters, as well as from our most reliable defector, Anatoly Golitzin.

At any rate, we now know (1) that the men in charge of American counterespionage had been hoodwinked for 15 years, and (2) that the F.B.I. had been persuaded that its Soviet source was a phony for the last five years. In 1977 New York agents urged that "Fedora" be arrested before slipping back to the Soviet Union; they were overruled.

One of these days a story of a similar operation will come out: in "Solo," we thought we had two men penetrating the Communist Party apparatus. With one of these triple agents dead and the other dying, we can only surmise the extent of that disinformation operation.

With new eyes, we can now look back and change black to white, correcting the disinformation. What were "Fedora" and "Solo" sent here to mislead us about?

ESSAY

The Other Shoe

By William Safire

The most important use we made of our Soviet "spy" in New York was to establish the bona fides of a Soviet defector, Yuri Nosenko, who came to us shortly after the Kennedy assassination to assure the C.I.A. that Lee Harvey Oswald was not a Soviet agent. "Fedora" told us to believe Mr. Nosenko.

For nearly two decades our C.I.A. has been split between those who distrusted Mr. Nosenko and suspected he was a "plant" — among them James Angleton, and to some extent Richard Helms — and those who believed Mr. Nosenko, including William Colby and Stansfield Turner.

In recent years the disbelievers at the agency were labeled "paranoid" and pushed out, while analysts who embraced Mr. Nosenko were promoted. Mr. Nosenko has been a lecturer at the C.I.A., teaching counterintelligence to our spies, which the writer Edward Jay Epstein rightly calls "the crowning absurdity."

Here is the significance: if the F.B.I.'s "Fedora" tricked us, as the F.B.I. has believed for some years and now quietly admits, then we were systematically misled about Mr. Nosenko. James Angleton was right, and the "new-boy network" at the C.I.A. was horrendously wrong.

The other shoe has not dropped. Half the Soviet disinformation plot stands revealed; the other half sits in place. At the C.I.A., a wholesale re-evaluation should be taking place — not only reversing the verdicts of the past, which assured us that Soviet missiles were not accurate, but to question the judgment of those who were taken in.

Former Director Turner's friends are now spreading the word that the reason he fired a flock of hard-liners in his 1977 purge of realists was somehow connected to an investigation of renegade agents selling terrorist techniques to Libya. I think that is part of his cover-up for being suckered by Mr. Nosenko, "Fedora" and the disinformation scheme.

The Senate Intelligence Committee should demand the dropping of the other shoe in the Fedora-Nosenko affair, and should find out whether the three-man White House Intelligence Oversight Board did its duty in the Wilson-Terpil Libyan affair.

In the Ford years, the Oversight Board was set up to deal with intelligence abuses and its members were active; in the Carter years, the three men met every three weeks and rocked no boats; since June 5, when Mr. Reagan accepted the board's resignation, it has been out of business entirely.

Someday the President will appoint a new triumvirate to check abuses, probably headed by Glenn Campbell, at the time he appoints the 13-member Advisory Board to be headed by Anne Armstrong to review intelligence quality. Wrangling over the Executive Order on Intelligence is understandable, but to permit four or five months to go by with no Oversight Board in place makes a mockery of oversight.

The F.B.I. knows it was misled and moved to correct its evaluations. Now the C.I.A. must go through the pain of finding out exactly how it was deceived to make sure it is not still being victimized by a mole or a triple agent.

RADIO TV REPORTS

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20015 656-

FOR PUBLIC AFFAIRS STAFF

PROGRAM Nightline

STATION WJLA TV
ABC Network

DATE September 8, 1981 11:30 PM CITY Washington, DC

SUBJECT Full Text

TED KOPPEL: ...There's no richer or easier target than the United States. We'll focus tonight on how secrets are kept and lost in the world's most open society. And on the day that a U. S. Air Force lieutenant went on trial for espionage, we'll discuss the subject with two former directors of the CIA, William Colby and Stansfield Turner.

ANNOUNCER: This is ABC News Nightline. Reporting from Washington, Ted Koppel.

KOPPEL: Good evening.

They force fed Christopher Boyce today after a 19 day hunger strike at the medical center for federal prisoners in Springfield, Missouri. Boyce is a convicted spy who's serving a 40 year sentence for selling secret satellite documents to the Soviet Union. He had said he'd rather die than spend the rest of his life in prison.

Here in Washington, meanwhile, the court-martial of Christopher Cooke got underway. He's the Air Force missile officer who'd been charged with passing secret information on to the Soviet embassy. If he is convicted, he could get over 50 years at hard labor.

Boyce and Cooke, if Cooke is found guilty, represent perhaps the oldest form of espionage -- find someone on the inside and get him to bring the information out. But espionage here in the United States takes on a great many other forms, because this is a society in which information is freely sold on the open market. Indeed, this is a society in which it is

ARTICLE APPEARED
ON PAGE 16

NEW YORK DAILY NEWS
8 September 1981

The believable need to control Soviet symphathizers

EARLIER IN THE YEAR, composing a novel on the evolution of a Soviet agent in America during the '40s, I found great difficulty in the matter of plausibility. It is, after all, extremely difficult to believe that any half-sane young man or woman would desert the United States in order to



**William F.
Buckley Jr.**

join forces with the Soviet Union. That is not to say that the United States is perfect, but merely to suggest that the Soviet Union is so insanely worse than the United States that it requires genuine perversion to prefer the one over the other. But of course we live in a world in which perversity abounds. In fact, during the '40s there were such types as Lawrence Dugan, as Alger Hiss, as

Harry Dexter White, ad-alas—very nearly infinitum. Ah, but that was the '40s . . . Implicit in this is that we can recognize the perversities of another age. But surely everyone now knows better. In fact, just as during the '40s the National Enquirer would come up with examples of mothers eating their children, so in the '80s must one assume that the ideological equivalent goes on. As a matter of fact it would probably be easier to come up with a rationale for siding with the enemy today than in the '40s. At the time, the grotesqueness of Stalin was increasingly evident. Today the grotesqueness of the Soviet leaders is rather an institutionalized, homey thing; and, above all, there is what there was not in the '40s, mainly formidable Soviet weaponry capable of scorching civilization off the face of the earth. To prevent this, our perverted idealist might as easily reason his way to complicity with the Soviet Union at this moment as at any other, which brings us to the Intelligence Identities Protection Bill, about which some of the boys are quarreling.

The bill, both in the House and in the Senate versions, seeks to make it an offense for any individual to reveal the identity of an agent of the CIA. The bill is a response to the extraordinary lack of any enforcement machinery in the United States designed to protect us from the Philip Agees of this world. Philip Agee is the former CIA official who has made a career of publishing the names of everyone he knew to be an agent. The probability is high that Agee's activities have resulted in the death of one or more Americans.

WILLIAM COLBY, former head of the CIA, told an audience several years ago that he found it difficult to understand the laws of a country which make it a criminal offense to reveal an individual's income tax returns but which is silent on the subject of revealing the name of an American agent. The bill in question seeks to remedy this anomaly, and is carefully constructed in order not to get in the way of the First Amendment. A successful prosecution under the proposed act would hand over to the state the burden of proving to the satisfaction of a jury that a reporter (or an Agee) had published the information because he had "reason to believe" that said disclosure would damage United States intelligence activities.

Well, the Agee group took exception recently to the Washington Post's opposition to the bill. The Post's reasoning was defective, but what offended the Agee types is the Post's designation of them as "contemptible," and as the equivalent of "terrorists."

Now in insisting that they were far from any such thing—they merely "object" to U.S. covert activity—the Agee types wrote in the Washington Post a self-defense with a remarkable sentence in it. "Your diatribe," they said, "only highlights the gap between the editorial offices and the reporters, for your people are among the large number of working journalists from virtually all the major printed and electronic media in the country who call upon us daily for help, research, information and, of all things, names of intelligence operatives in connection with articles they are writing."

How is that again? Granted, Agee et al. are specialists in disinformation. But suppose that 5% of what is said here is true? This would mean that there are journalists who consort with Agee. No doubt some of these do so with their democratic wits about them. But all of them?

There are, to say it again, pro-Soviet Americans. About those who betray their country, like Agee, I feel as Lord Birkenhead did about Kim Philby, about whose memoirs he wrote, "We shall never know how many agents were killed or tortured as a result of Philby's work as a double agent, and how many operations failed. He is now safe in Russia, and we must, alas, abandon any wistful dreams of seeing this little carrion gibbeted."

The bill should be passed. A democratic society that cannot find a way to cope with its Agees needs more resiliency, not more absolutist democratism.